on interest as utilised by the Chairman of Indian Express for advancing interest free loans and for other non-business purposes;

(b) if so, what are the reasons for not stopping the loans by the respective banks when the loans were not used for the purpose for which they were raised; and

(c) what steps are being taken to recall the loans with interest and within what period?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALERIO): (a) The Income Tax records show that the Chairman, Indian Express had borrowed funds on interest from certain companies of his group and had in turn, given interest free advances to other persons, resulting in losses to himself. In the assessments for the assessment year 1984-85 and 1985-86, the assessing officer found that the business losses shown by the Chairman arose mainly from deductions for interest payments. He held that considerable portion of the money borrowed on interest was utilised by the Chairman for advancing interest-free loans and for other non-business purposes. Accordingly he disallowed substantial amount of interest payments. The assessee has disputed these disallowances in appeal.

(b) and (c) Banks take action as appropriate in dealing with individual accounts. However, in accordance with statutes governing banks and practices and usages customary amongst bankers, banks cannot divulge information relating to their individual constituents.

Interest Free Advances given by the Chairman, Indian Express

1013. SHRI SATYA PRAKASH MALAVIYA: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 817 given in the Rajya Sabha on the 17th November, 1988 and state:

(a) whether it is a fact that interest free advances were made by the Chairman of Indian Express against the receipt of cash not recorded in the books of account from those persons, firms and companies to whom advances were made;

(b) if so, what are the details of the persons, firm and companies to whom advances were made and the purposes for which these advances were used by them; and

(c) the steps Government propose to take in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) Thre is no evidence yet that the Chairman of the Indian Express group of companies had made interest-free advances to persons, firms and companies against receipts of cash which those borrowers did not record in their books of accounts.

(b) and (c) Do not arise.

States' request for consultations before raising Pay Scales of Central Government Employees

1014. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the State Governments have requested the Central Government to take the States into confidence while revising the pay scales of their employees; and

(b) if so, what is the Central Government's reaction to the request of the State Governments?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE